Alberta Consumer and Corporate Affairs

Annual Report

For the Year Ending March 1990

Alberta

MINISTER OF
CONSUMER AND CORPORATE AFFAIRS

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91-04958/

The Honourable Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta

Sir:

I have the honour to submit this annual report of the Department of Consumer and Corporate Affairs for the fiscal year ended March 31, 1990.

Respectfully submitted,

Dennis L. Anderson
Minister

Alberta
CONSUMER AND CORPORATE AFFAIRS

Office of the Deputy Minister

22nd Floor, 10025 Jasper Avenue, Edmonton, Alberta, Canada T5J 3Z5 403/427-4095

The Honourable Dennis Anderson
Minister of Consumer and Corporate Affairs

Sir:

I take pleasure in submitting the department's annual report for the fiscal year ended March 31, 1990.

Respectfully submitted,

R.J. C. Ford
Deputy Minister

Table of Contents

Alberta Consumer and Corporate Affairs

Annual Report

89/90

Department Organizational Chart 7

Deputy Minister's Report 9

Deputy Minister's Office 12
- Communications 12

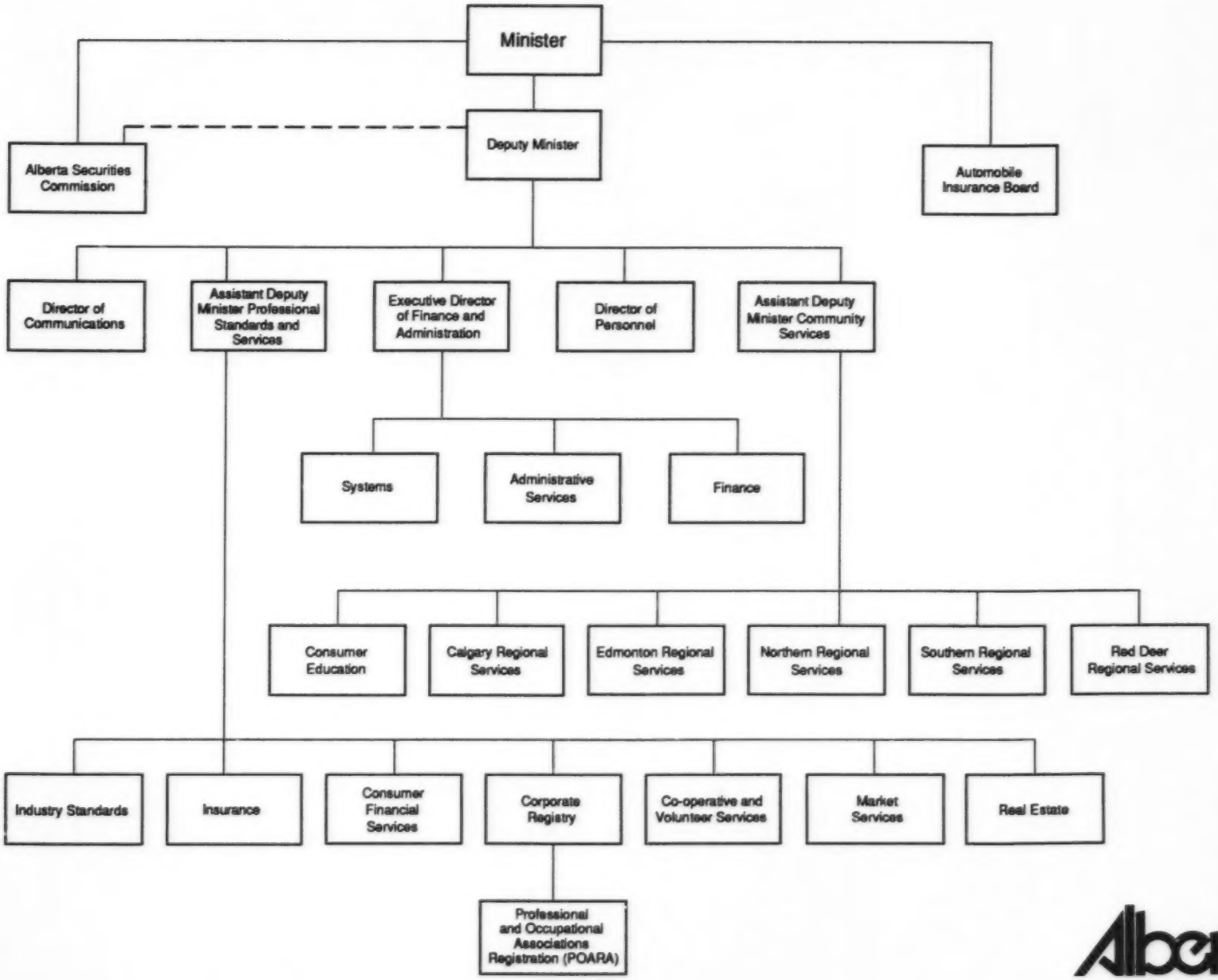
Community Services 13
- Regional Services 13
- Consumer Education and Information 17
- Resource Centre 20

Professional Standards and Services Division 21
- Consumer Financial Services 21
- Co-operatives and Volunteer Services 23
- Corporate Registry 24
- Industry Standards 25
- Insurance 27
- Market Services 29
- Professional and Occupational Associations Registration Program 30
- Real Estate 30

Personnel Services 35

Finance and Administration 36
- Systems and Administration 36
- Financial Services 37

Acts Administered by Alberta Consumer and Corporate Affairs 39



Alberta

CONSUMER AND CORPORATE AFFAIRS

MARCH 1990

Deputy Minister's Report

The time span between April 1989 and March 1990 marked a period of continued vitality within Alberta Consumer and Corporate Affairs. Many far-reaching changes took place, including the appointment of a new Minister to the department, the Honourable Dennis Anderson.

Numerous factors, including new leadership, prompted the department's activities: a fast-paced, constantly changing marketplace, innovative businesses and consumers with varied needs and levels of experience. Staff were asked not only to adapt to change, but to anticipate new trends and respond with appropriate programs and services. These initiatives were given focus in the department's first Corporate Plan, 1989-1993.

A particular concern for the department was the vast array of new financial products and services being marketed, and consumers' concerns about making suitable decisions related to their savings and investments. Responding to their need for fairness, the department, after consultation with the many stakeholders in the industry, drafted legislation which applies to transactions between buyers and sellers in the financial marketplace. The proposed financial consumers act was tabled as a White Paper in June 1989. It outlines industry and consumer responsibilities relating to the purchase and sale of financial products and services. It is unique in Canada and is a significant step in the regulation of this complex and diverse area of the marketplace.

Important aspects of the legislation include dispute resolution mechanisms as alternatives to the court system, and a requirement that financial contracts for consumers be written in plain language. The legislation has involved, and will continue to involve, extensive consultation with industry and consumers to ensure its viability.

Other legislation introduced in the 1990 spring session included an amendment to the department act and a major amendment to the Licensing of Trades and Businesses Act to provide for the delegation of regulation to industry sectors. Also introduced were significant changes to the Insurance Act and the Real Estate Agents' Licensing Act.

Aside from legislation, the department focused on review, reassessment and reorganization. The division of Professional Standards and Services was reorganized and programs were realigned under different units to provide relevant services with greater

efficiency. A Consumer Financial Services unit was formed to spearhead activities concerning the proposed financial consumers act, as well as other matters pertaining to the financial marketplace.

An important function of the newly-created Industry Standards unit is to build the framework for delegated regulatory organizations (DROs) in various industry areas. Alberta Consumer and Corporate Affairs is committed to working in partnership with industry to establish and maintain high market standards. Some of the administrative duties relating to specific industry areas can be delegated to DROs, in which industry and consumer interests are represented. In this way, DROs become important structures to support the concept of government, consumers and industry working in partnership.

Much progress in this regard was made during the 1989/90 reporting period, with the appointment of two committees representing the interests of consumers and business. One was given a mandate to recommend guidelines for the automotive industry and develop a plan for the establishment of a DRO. The other committee focused on the establishment of a DRO for the funeral services industry. The work of both committees will continue into the next fiscal period.

In recognition of the importance and value of volunteer agencies, a Co-operatives and Volunteer Services unit was established within the division. New rules were established for charity fund-raisers, effective January 1990. The guidelines will result in less red tape for charities, while the tougher requirements expected of professional fund-raisers increase protection for those who donate to charities, through increased disclosure.

Auditing activities for real estate and insurance companies were centralized under one unit for greater efficiency, while Market Services was formed to monitor marketplace activity and standards, and enforce fair trade practices.

The Advisory Committee on Residential Tenancy, appointed by the minister to review the Landlord and Tenant Act, actively sought the views and concerns of Alberta landlords and tenants in preparation of their report, expected to be released in April, 1990. The committee reviewed written submissions and visited landlords and tenants in many locations throughout the province.

The department's services were made more accessible to Albertans with the opening of new district offices in Camrose and Edmonton's inner city. With ten full-service offices operating throughout the province, off-site services were expanded to Drumheller, Athabasca, Slave Lake and the Stoney Indian Reserve at Morley through local agencies.

In order to ensure that we operated as efficiently as possible, it was important for us to reexamine our services and programs and to determine their current impact. In order to do this, evaluation projects were initiated in all program areas of the department. In some, further phases of the projects will carry on through to the next fiscal period.

Community Services centrally compiled and documented the numerous evaluations that had been previously undertaken, and identified program areas to be examined in this latest effort.

A comprehensive review of all legislation maintained by Alberta Consumer and Corporate Affairs was initiated to ensure that every act is relevant and up-to-date, with the flexibility to allow for future changes. The project, which will be completed during the next fiscal period, includes amending or repealing legislation that is no longer current.

Alberta Consumer and Corporate Affairs provides administrative, communications and educational support to the Alberta Securities Commission. In addition, the Deputy Minister liaises with the Chairman and Chief on policy issues. During the 1989/90 fiscal period, a major step taken by the commission was the enhancement of securities legislation to provide greater protection for minority shareholders by restricting insider trading. Specific details of the commission's activities are published under separate cover in the Alberta Securities Commission annual report.

Throughout this reporting period, staff of Alberta Consumer and Corporate Affairs demonstrated their dedication and commitment to meeting the needs of Albertans in a time of increasing fiscal restraint. The following pages outline some of the activities undertaken by this department.

Deputy Minister's Office

The Deputy Minister is the chief executive officer responsible for the administration and coordination of all line and staff functions. A Communications unit and a special assistant support the Deputy Minister and many of the program activities within the department.

Communications

The Communications staff promote the programs of Consumer and Corporate Affairs and the Alberta Securities Commission and inform various publics about the organization's services. With reference to this function, staff coordinated the production of all graphic, print, display and audio visual material. During the 1989/90 fiscal year, 299 projects were handled.

Among these projects were the design and production of table-top displays for all regional offices, a video production on investigative techniques and script writing for the messages used in the Edmonton regional office automated telephone answering system.

During the year, another staff member was added to the unit to improve the level of service offered to the Alberta Securities Commission.

The staff also provides professional communications/public relations advice to the minister and all levels of the department. News releases, "Consumer Alerts", and speeches are written by staff. As well, staff assist in arranging special events held throughout the department.

During the year, Communications began publishing "Exchange", an employee newsletter. With suggestions on content coming from an editorial board made up of a cross-section of department employees, branch staff write and design the monthly newsletter.

The unit also manages department advertising.

Regional Services

The Community Services division of Alberta Consumer and Corporate Affairs is responsible for bringing the programs of the department to Albertans. The 1989/90 period has seen the division take initiatives in several areas to more effectively achieve the departmental goal of working with consumers and industry to promote and sustain fairness in the marketplace. Included among these initiatives are:

- bringing services closer to Albertans;
- expanding our partnership efforts with consumers and industry;
- program expansion;
- technological innovations;
- developing a systematic approach to data gathering and program evaluation.

Bringing Services Closer to Albertans

In response to service needs, two new office locations were established in the 1989/90 year. The Pacific Rim office at 97th Street and 105 Avenue in Edmonton was set up to accommodate a growing need for consumer services by the inner city population. This location will better enable us to serve the downtown resident whose consumer needs, particularly in the landlord and tenant area, can often be critical.

Similarly, in the fall of 1989, the department established a new location in Camrose to better serve the growing rural population in the Camrose-Wetaskiwin-Wainwright area. The new office is a valuable expansion of the local service network in that area.

An offsite streetfront location has been opened in Calgary at the Y.W.C.A. one day per week to respond to inner city needs in that city.

Expanding the Division's Partnership Efforts with Consumers and Industry

The Community Services division, in recognition of the growing need for consumer services, has continued to place a high value on the indirect delivery of services. Work with community agencies and groups has enabled the division to improve its effectiveness. Skilled local professionals trained by department staff in areas of consumer service have become valuable allies in service delivery. The division has, in 1989/90, been able to provide modest strategically allocated

grants to several vital community agency "allies" who have been particularly valuable in carrying consumer messages to their clientele.

In the past year, the division furthered this concept of partnership by expanding it to include business and industry groups. Partnership was declared to be the theme of the first ever National Consumer Week (April 23 - 29, 1990) and, in preparation for that event, divisional staff engaged business as well as community associations in extensive discussions on working in partnership with the department. This campaign resulted in a significant number of new important working alliances with business who are participating more than ever in carrying important consumer education messages to the public.

Program Expansion

In response to a growing need in the important savings and investment sector of the marketplace, the division undertook a major expansion into the consumer financial services area. A large number of financial services seminars (sometimes in partnership with the Securities Commission), T.V. talk shows, collaboration with C.F.C.N. T.V. in Lethbridge for a mini series on investing, staff training in financial services and the distribution of consumer financial services information contributed to a diverse and comprehensive consumer financial services program in 1989/90.

Technological Innovations

In response to the inquiry "bottleneck" created by the many consumer calls to the regional offices the division, in February, 1990, established an interactive telephone system that enables consumers to electronically select their way through a consumer information menu. The pilot project in the Edmonton regional office was deemed successful and a decision was taken to purchase the system. It is estimated that ± 25% of the many thousands of enquiries that come into the Edmonton offices are effectively dealt with by the system. Plans are underway to implement the system in Calgary and eventually, perhaps, across the province.

Program Evaluation

The Community Services division recognizes the critical importance of program evaluation to staying relevant in the current dynamic marketplace. Consequently, in 1989-90 the division developed a comprehensive data gathering system via the implementation of consumer "contact sheets". Begun as a pilot project in the summer of

1989 and terminated March 31, 1990, the project was deemed successful and will be fully implemented in the 1990/91 period. A more comprehensive and accessible data base will result.

Combined with this focus on program data the division has developed, and is implementing, a comprehensive cyclical program evaluation strategy that will see all services evaluated in two to three-year cycles. This will ensure that programs are adjusted to consumer needs, based on their effectiveness and subject to "sunset" considerations if necessary.

The 1989/90 year has been a year of growth and change for the Community Services division. The core services of responding to consumer complaints, family financial counselling and consumer education have been maintained, while overall program and service enrichment as described above has occurred. A solid base has been built for maintaining an effective, vital division with systems in place to stay relevant through the '90s; all within existing budget constraints.

The following tables provide an overview of divisional activity for the 1989/90 period.

Table 1

Statistical Overview of Workload

All Regions	*1986-87*	*1987-88*	*1988-89*	*1989-90*
Total number investigations	2,375	5,243	4,827	4,620
Total number of separate enquiries for assistance/information	N/A	N/A	N/A	137,724
Family Financial Counselling contacts	27,728	28,132	30,754	19,020 *
Licences on file	27,560	27,557	25,314	19,562 **
Total number of prosecutions				
Licensing				18
Landlord/Tenant				7
Credit Legislation				4

* This significant reduction can be explained by changes in our statistical system. The department discontinued showing the large number of contacts with the credit industry as consumer contacts.

** The significant difference here can be explained by a cyclical system of licensing that was introduced in 1987.

Table 2

Subject Area of Enquiries in % (based on province-wide averages)

Mediation Services	23.1
F.F.C.	16.4
Licensing	15.1
Standards/Unfair Trade	12.4
Corporate Registry	10.6
Landlord/Tenant	8.3
Insurance	5.0
Real Estate/Property	2.9
Credit	2.4
Collection Practices	1.5
Public Contributions	0.9
Co-operatives	0.6
Volunteer Organization	0.6
Total %	100.0

Consumer Education and Information

The goal of the consumer education program is to provide Albertans with learning opportunities to help them make informed consumer decisions. The program achieves this goal by assessing information needs of Alberta consumers, and working in partnership with business and community agencies to develop information materials and programs to meet those needs.

The program continued its commitment to plain language material, the development of special resources for disadvantaged consumers, and to information dissemination through radio, television and newspapers. In addition, the program took on the new role of providing educational consulting services to the Securities Commission, and continued an active role as a consumer education consultant to business, community agencies, government and educational institutions.

Media, Print and Instructional Materials

Completed projects include:

- projects in support of the work of the Premier's Advisory Council on Persons with Disabilities:

  Consumer Tips audio tapes developed in co-operation with the Canadian National Institute for the Blind (CNIB) and distributed to community agencies and 200 Consumer Corners for loan to the public;

  contact made with 160 agencies that work with persons with disabilities to provide sample sets of Consumer Education audio-visual and print resources and to introduce department services;

- a 13-part children's television series titled Street Cents, produced in co-operation with CBC, industry and other governments;

- publications developed in partnership with other organizations—Collision Repairs and Insurance (Automotive Service Repair Association), Choosing a Home Builder (Alberta Home Builders' Association), and Estate Planning: Looking after your family's future (Alberta Agriculture);

- 450 sixty-second radio scripts distributed to regional staff for recording as public service announcements at over 40 radio stations;

- Bucks for Bytes computer programming contest for youth, based on the department's Moving Out magazine, held in co-operation with Alberta Education and the Alberta Stock Exchange;

- 48 radio scripts translated by the translation bureau of Federal and Intergovernmental Affairs into Polish, Spanish and Cantonese, and supplied to CKER Ethnic Radio for broadcast province-wide;

- 52 newspaper articles researched, written, and distributed to over 50 local papers for publication at no charge to the department;

- 100 cable television messages;

- development of scripts for the trial of the interactive telephone information system at Edmonton regional office;

- a poster and presentation kit for public seminars on home improvements, in support of Municipal Affairs' home improvement program for seniors;
- 37 existing tipsheets were rewritten in plain language;
- the pamphlet Small Business and Alberta Consumer and Corporate Affairs;
- financial information series "Keeping Your Balance", with titles including: Coping With a Reduced Income, Dealing with Bill Collection Agencies, and Putting Your Spending Plan on Paper;
- two issues of "Consumer Talk"—Advertising and Car Repairs. Written in basic language for people with minimal reading skills, these publications were the program's major initiative in support of International Literacy Year.

Consulting Services

Projects included:

- review of scripts for Lethbridge regional office's development of a four-program television series on the topic of investments;
- assisting the personnel unit on the development of a training videotape on investigative techniques.

Task Force Involvement

- Staff participated in the Consumer Education Task Force on the Financial Marketplace. Completed projects included: a listing of resources available to financial consumers in Alberta, a profile of Alberta investors based on research already completed, and a review of a Goldfarb study linking investment habits of Albertans to other socio-economic data.
- Staff participated in the Federal-Provincial Task Force on Consumer Education and Plain Language, with major activities of the task force including development of a plain language lexicon of consumer terms, development of a five-module consumer education program for use in high schools nation-wide and planning of the first National Consumer Week organized by government.

Resource Centre

The Resource Centre serves departmental staff and provides training and follow-up consultative services to libraries and agencies that establish Consumer Corners, collections of audio-visual and print resources on various consumer topics.

Highlights of the year include the following activities:

- Production and distribution of the annotated bibliography Library Consumer Resources to 400 post-secondary institutions, public libraries, and resource centres. This project is a valuable tool for helping other libraries, especially those with small staffs, to maintain current consumer collections.

- The Resource Centre circulated 1,654 items and responded to 1,828 information requests.

- A daily press clipping service addressing departmental issues is provided to staff.

- Current information is provided to staff by publishing Current Contents, a bi-monthly publication listing current periodical articles —2,982 article requests were filled.

Consumer Corner Program

The Consumer Corner, which is funded by the department, consists of a collection of consumer resources including commercial and departmental multi-media resources and publications, and an index to articles.

Highlights of the year include the following activities:

- 12 new Consumer Corners were established in public libraries and 11 in community agencies, making a total of 209 in current operation across the province. Special recognition was given to the official opening of the 200th Consumer Corner in Sherwood Park, with the Honourable Dennis Anderson in attendance.

- Three major workshops were held for staff of regional library systems and city libraries to assist in the establishment and effective operation of Consumer Corners, and various promotional items were offered to help promote the corners.

Professional Standards and Services Division

During the 1989-90 fiscal period, the Professional Standards and Services division continued to work closely with industry groups to improve their understanding of the legislation that affects their operations and, as a result, gain their compliance.

The division also worked at encouraging industry to recognize its responsibilities in the marketplace. To that end, the concept of delegated regulatory organization (DRO) was pursued aggressively. Discussions were held regarding the establishment of a DRO for the real estate industry.

Consumer Financial Services

The unit works with regional and district office staff to develop a marketplace of informed borrowers and lenders in Alberta; to foster orderly collection of accounts within certain parameters; and to assist Albertans in developing good money management skills and offer specific assistance for over-committed debtors.

The unit provides administration of the Consumer Credit Transactions Act, Collection Practices Act, Wage Assignments Act, Tax Rebate Discounting Act (federal), Debtors' Assistance Act, and Part X, Bankruptcy Act - Orderly Payment of Debts Provisions (federal).

Unit staff devoted a considerable amount of time to the Financial Consumers Act. They were directly involved in the drafting of the proposed Act and acting as a liaison with the financial services industry, as part of the department's consultative efforts with industry representatives.

In the 1989/90 fiscal year, 435 credit-related situations were formally investigated. This represents a 7% decrease from the previous year. Retail credit advertising constitutes the bulk of the activity; collection agency complaints also remain a top category.

Tax Discounting

The unit administers the Tax Rebate Discounting Act within Alberta on behalf of the federal government and requires registration of those discounters under the Consumer Credit Transactions Act.

During the calendar reporting year of 1989, the volume of activity decreased by almost 2% over 1988, as shown in the table, but the value of refunds acquired increased by over 9%. With the ever increasing complexity and the use of the tax system for social programs, we anticipate tax discounting will continue to flourish in years to come.

Family Financial Counselling Program

The Family Financial Counselling program is delivered by counsellors in the regional and district offices, under the authority of the Debtors' Assistance Act. The program primarily aims at helping consumers improve their money management skills. Where necessary, repayment programs are drafted for over-committed debtors to allow them to repay their obligations in an orderly fashion.

Debt-repayment programs are offered under both the Debtors' Assistance Act and the Orderly Payment of Debts Provisions of the federal Bankruptcy Act. The former is a voluntary program; the latter court-ordered. Emphasis has been placed on voluntary arrangements, to allow more flexibility in dealing with client needs and creditor requirements.

A total of 19,020 requests for financial information or counselling were made during the fiscal year. Of these, 5,090 were new clients specifically requiring credit counselling. There were a total of 160 new repayment programs initiated during 1989/90 under the Orderly Payment of Debts Provisions and 56 under the Debtors' Assistance Board. A new category of mediation activity has been captured since September 1989. Since then 301 files have been undertaken. These figures reflect the continued emphasis placed on finding other methods of resolving debtor/creditor situations. Repayment programs alone resulted in receiving $1,225,595.06 from debtors destined for their creditors although under the Orderly Payment of Debts program a 10% fee is levied as a cost recovery measure.

Table 3

Activity of Alberta Tax Discounters *

	1989	1988
Number of Returns Acquired	104,829	106,687
Total Amount of Refunds Acquired	$95,911,607.00	$87,978,318.23
Average Refund	$914.93	$824.64
Total Discount Retained	$7,940,450.35	$7,219,196.51
Average Discount Per Return	$75.75	$67.67
Percentage of Refund Retained	8.28%	8.21%

* Source - Consumer and Corporate Affairs Canada

Co-operatives and Volunteer Services

Concerning Co-operatives, this unit is responsible for working with regional and district offices to assist co-operatives with their incorporation requirements and encouraging them in the provision of services to their members. These objectives are attained through administration of the Co-operative Associations Act.

Sales and equity of Alberta co-ops increased slightly during the year, as did total assets, savings and membership. At the end of the year, there were 997 co-operatives registered in Alberta. There were 18 new incorporations and 14 dissolutions of co-operatives during the year. In addition, there were 32 approvals for amendments to the memorandum of association or supplemental by-laws of co-operatives.

A highlight of co-operative activities during the year was an increase in the partnership arrangement in support of the co-operative sector in the province.

With regard to Volunteer Services, amendments to the Public Contributions Act and new regulations, effective January 15, 1990, provided for significantly less regulation of the smaller charitable campaigns, while providing increased safeguards to the donating public and the non-profit sector concerning larger campaigns and those involving charitable promotion businesses.

During the year, a total of 1,440 campaign permits for charitable solicitations were approved by the department, through the administration of staff in the Industry Standards unit, and by the six local approving authorities.

Corporate Registry

Corporate Registry is responsible for registration functions outlined in the Business Corporations Act, the Companies Act, the Societies Act, the Religious Societies' Lands Act, the Co-operative Associations Act, and the Cemetery Companies Act.

The registry's prime administrative function under these acts is to issue certificates which will create or change the structure of limited liability corporations and societies, and issue certificates of registration to permit corporations formed in any other jurisdiction to carry on business in Alberta. It also maintains a public depository of documents required to be filed under the various provisions of these acts.

Corporate Registry maintains records on more than 185,000 active Alberta corporations in computerized and microfilm form. During the 1989/90 fiscal year, 19,133 corporations were incorporated or registered in Alberta by the registry. Additional statistics on corporate activities during the reporting period are shown in the following tables.

Table 4

Documents Issued by Corporate Registry

	1989/90	*1988/89*
Business Corporations Act		
Certificates of Incorporation	16,126	15,314
Certificates of Registration	1,544	1,714
Certificates of Amalgamation	633	626
Certificates of Amendments	7,986	7,984
Certificates of Dissolution	12,794	11,504
Certificates of Import Continuance	124	166
Certificates of Discontinuance (Export)	358	438
Companies Act - Part IX		
Certificates of Incorporation	49	68
Societies Act		
Certificates of Incorporation	1,136	1,084
Object and Bylaw Amendments	720	718
Religious Societies' Lands Act		
Certificates of Incorporation	45	43
Co-operative Associations Act		
Certificates of Incorporation	23	31
Cemetery Companies Act		
Certificates of Incorporation	0	0

Table 5

Documents Processed by Corporate Registry

	1989/90	*1988/89*
Annual Returns	149,577	151,542
Notice of Address	31,408	31,439
Notice of Directors	22,479	23,407
Debt Obligations	7,037	6,936
Discharge of Obligations	3,351	3,192
Receivers/Liquidators	284	245
Corporate Revivals	1,366	1,179

Table 6

Information Provided to the Public by Corporate Registry

	1989/90	*1988/89*
Telephone Searches	88,323	92,980
Certified Document Requests	4,284	4,311
Written, FAX, Search Reports	26,019	36,315

Industry Standards

The Industry Standards unit administers the following legislation: Licensing of Trades and Businesses Act; Public Auctions Act; Fuel Oil Licensing Act; Direct Sales Cancellation Act; Cemeteries Act; and the Prearranged Funeral Services Act.

The unit is also responsible for the administrative procedures for licensing of mortgage brokers under the Mortgage Brokers Regulation Act and the issuing of permits under the Public Contributions Act.

Licensing is handled by regional office staff who are responsible for accepting applications and supporting documents, conducting investigations, and referring recommendations for prosecution or bond claims to the director. The Industry Standards unit provides regional staff with information through an on-line system for licensing, training and consulting services, bond administration and bond claim processing, and prosecution approvals.

During the fiscal year, approximately 3,234 licenses were issued or renewed on an annual or five-year basis with another 6,809 already active on a two, three or four year basis, and not yet due for renewal.

A total of 1440 campaign permits for charitable solicitations were approved by the department and six local approving authorities.

There were 10 applications received for the use of land as a cemetery, with 12 Final Certificates of Approval being issued.

Surety bonds posted by 16 licensees were forfeited to compensate 20 consumers where the licensees failed to provide goods or services. Claims totalled $134,320.75.

Insurance

The insurance business in Alberta is regulated under the Insurance Act. The Superintendent of Insurance has responsibility for the general supervision of the business of insurance within Alberta and for ensuring compliance with the laws relating to the conduct of the business of insurance. The Superintendent acts under the instructions of the Minister and reports on the affairs of the industry.

Insurance companies, agents, brokers and adjusters doing business in Alberta are required to be licensed under the Insurance Act. Insurance companies must satisfy certain financial standards in order to be licensed. The Superintendent examines the financial condition of provincially incorporated insurance companies. Responsibility for the regulation of insurance agents, brokers and adjusters has been delegated by the Superintendent to insurance councils. The councils, comprised of industry and public members, are charged with the responsibility of issuing licences and investigating complaints. Insurance agents, brokers and adjusters must pass a qualifying examination and meet other requirements in order to obtain a licence.

The Superintendent of Insurance works in co-operation with the federal and other provincial and territorial superintendents to maintain consistency in insurance legislation and deal with issues relating to the industry.

Table 7

Insurance Companies Licensed

	1989	*1988*
Provincial Companies (including Reciprocal Exchanges)	9	9
Extra-Provincial Companies	15	16
Canadian Registered Companies	296	305
Fraternal Associations	20	20
Total	340	350
New Companies Admitted	3	13
Companies Withdrawn	6	9
Companies Merged into Existing Companies	7	1

Table 8

Insurance Complaints Resolved

Class of Complaints	*1989*	*1988*
Automobile	164	197
Property	81	129
Life	76	142
Accident and Sickness	70	88
Travel	14	19
General (other classes)	91	97
Adjusters	4	4
Total *	500	676

* The authority to investigate complaints against insurance agents and adjusters was delegated to the Alberta Insurance Council June 1, 1989. Complaints investigated by the Council are not included in this total.

Market Services

The Alberta marketplace is undergoing dramatic change. The goods and services being offered are more complex, as are the marketing practices used to sell these products. Further, consumers can buy merchandise using sophisticated electronic technology which makes the transactions less personal, yet more immediate. The consumer, therefore, is increasingly susceptible to unethical or unfair methods of trading. The main objective of Market Services is to maintain an equitable and orderly Alberta marketplace. This objective is accomplished through the development and maintenance of minimum standards of acceptable trading practice. This standard ensures that both the supplier and the consumer enjoy equal rights and responsibilities in their dealings with each other.

The Market Services unit administers the Unfair Trade Practices Act. The act establishes minimum standards of fair conduct, truth in selling and full disclosure of information. Further, the act is designed to provide consumers with an expeditious and inexpensive means of receiving satisfaction in the event they are the victims of an unfair act or practice.

Administration of the Unfair Trade Practices Act emphasizes the principles of consultation and co-operation with the business community. Alleged transgressions of the act are reviewed by regional and district staff and discussed with the businesses concerned. In most cases agreement is reached without having to resort to legal action. However, if a supplier persists in operating outside the requirements of the act, legal action may be initiated by the Director of Trade Practices.

The Market Services unit worked closely with the Alliance of Canadian Travel Associations - Alberta (ACTA) in an attempt to improve the protection that is available to consumers who wish to safeguard their travel dollar. These efforts resulted in ACTA passing a resolution at their annual general meeting which obligates all of their members to either sell default insurance to their customers or obtain a waiver indicating the insurance was offered and declined. In this manner consumers who are concerned about the viability of a tour operator or travel service supplier can protect themselves.

Professional and Occupational Associations Registration Program

This program, under the Professional and Occupational Associations Registration Act (POARA), an "umbrella" act, is intended to regulate a variety of professions and occupations not covered by other statutes such as the Health Disciplines Act or the Manpower Development Act. POARA permits an association certain self-governing powers and provides for the establishment of standards in the areas of education, conduct, discipline, field of practice, as well as other aspects relative to professions and occupations.

Primary objectives for registration included the protection of the public against incompetence and fraud, representation of a significant group of persons practising an identifiable profession or occupation, as well as the advancement of the interests of that profession or occupation. A designated title and abbreviations are granted to the association for exclusive use by members of the registered association.

The director of the program works closely with other government departments as well as the Professions and Occupations Bureau. Three associations are currently registered: Alberta Home Economics Association; Alberta Institute of Purchasing Management Association of Canada, Alberta Association; and the Canadian Institute of Planners.

Six additional organizations have submitted applications for registration and several others are in the process of completing applications.

Real Estate

Legislation administered by the unit consists of the Real Estate Agents' Licensing Act, the Mortgage Brokers Regulation Act, the Landlord and Tenant Act, the Mobile Home Sites Tenancies Act, and the Condominium Property Act.

Both the Real Estate Agents' Licensing Act and the Mortgage Brokers Regulation Act have licensing or registration requirements. The licensing of real estate agents and managers has been delegated to the Alberta Real Estate Association. Trust provisions apply to the handling of monies in both industries.

Regional staff of the department investigate complaints and ensure proper handling of trust monies through random inspections of licensees records. There are extensive mediation and dispute resolution activities related to the legislation.

All legislation administered by the program has enforcement sections and investigations may lead to prosecutions, show cause hearings, suspension or cancellation of licences or undertakings.

Real Estate Agents' Licensing Act

Within existing regulatory framework the Alberta Real Estate Association has the delegated ability to issue licences, to deliver educational programs and administer the Real Estate Assurance Fund. Work began on the process of creating a mandatory Errors and Omissions Insurance Plan and a Real Estate Education and Research Foundation that will provide funds for the development of real estate education for members of the industry and the public.

The Real Estate Assurance Fund covers fraud and breach of trust by real estate licensees when trading in real estate. As of November 30, 1989, the fund stood at $1,653,397. During 1989 there were claims against the fund totalling $31,193. Since 1985 real estate salespersons do not require licensing. They must, however, be employed by a licensed agent, be registered with the Assurance Fund and must write and pass a qualifying examination.

Developers offering to sell to Alberta residents out-of-province real estate that is divided into units such as lots, condominiums or time-sharing projects, must file a prospectus with the Superintendent of Real Estate. The prospectus must provide full disclosure of all relevant facts.

As a result of departmental investigations during 1989/90, the Superintendent of Real Estate conducted one hearing resulting in one undertaking. Letters of reprimand were also sent out to two real estate agents.

Mortgage Brokers Regulation Act

This act requires all persons brokering mortgages in Alberta to be registered and bonded. The act has similar requirements for record-keeping and disclosure to consumers, as does the Real Estate Agents' Licensing Act. The department handles the registration of mortgage brokers. As of March 31, 1990, there were 69 active registrations, compared to 58 in March of 1989. During 1989/90 there were 15 new registrations issued. One was cancelled and one refused.

Landlord and Tenant Act
Mobile Home Sites Tenancies Act

These acts deal with landlord and tenant relationships. The Landlord and Tenant Act generates a large number of complaints. These are handled by the staff of landlord and tenant boards and by the department in communities where boards do not exist. All prosecutions under the act are investigated and handled by department staff. In 1989/90 there were a total of seven prosecutions.

In January 1989, a Ministerial Advisory Committee on Residential Tenancies was commissioned to make recommendations to the Minister regarding possible amendments to the legislation. The committee completed its activities and submitted an interim report to the Minister. A final report will be presented in April of 1990.

The following tables provide details of real estate licensees and sales force and details of inspections/investigations.

Table 9

Real Estate Licensees

	1989/90	*1988/89*
Calgary	407	371
Edmonton	347	335
Red Deer	39	40
Lethbridge	23	25
Medicine Hat	25	27
Fort McMurray	16	14
Grande Prairie	22	22
St. Albert	20	14
Sherwood Park	12	6
Brooks	10	10
Lloydminster	9	11
Drumheller	7	8
Wetaskiwin	6	6
Peace River	4	4
Camrose	6	5
Towns and Villages	257	250
Total	1,210	1,148

Total Salespersons Employed by Licensed Agents: 8,304

Table 10

Investigations/Inspections

	1989/90	*1988/89*
Real Estate	354	234
Mortgage Brokers	19	14
Condominiums	6	3
Real Estate Time-Sharing	4	7
Landlord and Tenant	396	329
Mobile Home Sites Tenancies Act	3	6
Total	782	593

Personnel Services

The Personnel Services unit provided the department and the Alberta Securities Commission with services in the areas of human resource planning, job analysis and classification, recruitment and selection, human resource development, employee relations, pay and benefits administration, and occupational health and safety.

The department continued its support of cross-training, developmental opportunities, job-sharing, and permanent part-time employment in order to meet the challenges. This was evidenced by the continued increase in staffing actions. Although 37 people left the organization in 1989/90, 112 positions were filled through staffing actions, compared to 75 staffing actions in 1988/89.

The job analysis and classification of positions was an active area as a result of a government-wide administrative services review. There were 268 transactions completed. This number includes the rollover of 191 clerical positions due to the administrative series review. Occupational health and safety saw two workers' compensation claims during the year. Two employee grievances were launched in 1989/90; comparable to the 1988/89 total of two. Three hundred and six employees were involved in staff development activities for the year, a slight increase over 1988/89 of 284. The courses' sponsors included:

	1989/90	*1988/89*
Personnel Administration Office	97	91
Consumer and Corporate Affairs	48	63
Other government agencies and private sector	92	68
Post secondary institutions	69	62
Total	306	284

Human resource management continues to be a priority for the department in a time of fiscal restraint. A versatile work group with a client service orientation has enabled the department to accomplish much with fewer resources.

Systems and Administration

The Systems group provides mainframe data processing, office automation and word processing systems to the department through a province-wide network which makes current data available to all employees simultaneously. During 1989/90, these services were extended to include new district offices in Camrose and Edmonton.

Office automation was enhanced through the standardization of all departmental word processing facilities on WordPerfect and the implementation of Local Area Networks in head office, the Minister's office, Corporate Registry, the Securities Commission, the Edmonton regional office, the Red Deer regional office and the Calgary office of the Alberta Securities Commission. Office systems were developed to assist field staff in determining the greatest concerns of Alberta consumers so that staff and educational resources could be effectively focused.

In addition to upgrading the Corporate Registry and consumer relations systems, the modernization and automation of the Alberta Securities Commission continued through the implementation of the volume and document information modules of their integrated system. The development of the commission's continuous disclosure system for monitoring corporate filing requirements provided Systems with its first installation of a microcomputer network system.

All systems development was consistent with the electronic data processing plan which was completely restructured during the 1989/90 fiscal year. It now contains an operational component and a strategic plan for each major division in the department. This structure will enable the data processing strategy to evolve in conjunction with program plans.

The records management and micrographics units continued to provide operational support on a department-wide basis. The filming of new records continued and the final stages of the major project undertaken to enhance the records handling capabilities of the Securities Commission was completed.

Financial Services

Table 11

Summary of Revenue for Alberta Consumer and Corporate Affairs for the Fiscal Years Ended March 31, 1989 and 1990

	1989/90	*1988/89*
Fees, Permits and Licences		
Business Corporations Act	$ 7,281,134	$ 6,653,109
Alberta Securities Commission	2,816,842	2,456,266
Special Insurance Brokers	179,762	163,918
Insurance Companies	1,225,249	442,876
Real Estate Agents	131,475	63,990
Licensing of Trades and Businesses Act	329,001	434,858
Other	96,703	39,076
Total	$12,000,466	$10,254,093
Other Revenue		
Refunds of Expenditure	5,338	9,093
Miscellaneous	22,637	9,664
Total	$27,975	$18,757
Total Department Revenue	$12,088,441	$10,272,850

Table 12

Summary of Expenditures of Alberta Consumer and Corporate Affairs for the Fiscal Years Ended March 31, 1989 and 1990

	1989/90	*1988/89*
Central Support Services		
Minister's Office	$282,259	$257,740
Executive Management	563,004	704,169
Program Support Division	2,758,134	2,517,551
Total	$3,603,397	$3,479,460
Regional Delivery Division		
Regional Delivery	$4,597,175	$4,410,211
Consumer Information Development	909,705	649,979
Total	$5,506,880	$5,060,190
Professional Standards and Services Division		
Assistant Deputy Minister	$400,369	$150,108
Real Estate Standards	319,855	155,467
Licensing	342,575	331,601
Regulation of Business Practices	165,301	137,236
Financial Consumer Standards	409,114	139,814
Business Incorporations and Registration	2,174,230	2,123,473
Regulation of Co-operatives	68,840	32,676
Insurance Standards	940,658	243,461
Regulation of Auto Insurance Premiums	150,067	162,879
Total	$4,971,009	$3,476,715
Regulation of Financial Market	$4,813,119	$4,097,820
Total Departmental Expenditures	$18,894,405	$16,114,185

Acts Administered by Alberta Consumer and Corporate Affairs

Bankruptcy Act, Part X
(the Orderly Payment of Debts provisions (federal))

Business Corporations Act

Cemeteries Act

Cemetery Companies Act

Collection Practices Act

Companies Act

Condominium Property Act

Co-operative Associations Act

Co-operative Marketing Association Act

Consumer Credit Transactions Act

Debtor's Assistance Act

Department of Consumer and Corporate Affairs Act

Deposits Regulation Act

Direct Sales Cancellation Act

Franchises Act

Fuel Oil Licensing Act

Insurance Act

Landlord and Tenant Act

Licensing of Trades and Businesses Act

Mobile Home Sites Tenancies Act

Mortgage Brokers Regulation Act

Native Co-operative Guarantee Act

Professional and Occupational Associations Registration Act (POARA)

Prearranged Funeral Services Act

Public Auctions Act

Public Contributions Act

Real Estate Agents' Licensing Act

Religious Societies' Lands Act

Securities Act

Societies Act

Tax Rebate Discounting Act (federal)

Unfair Trade Practices Act

Wage Assignments Act